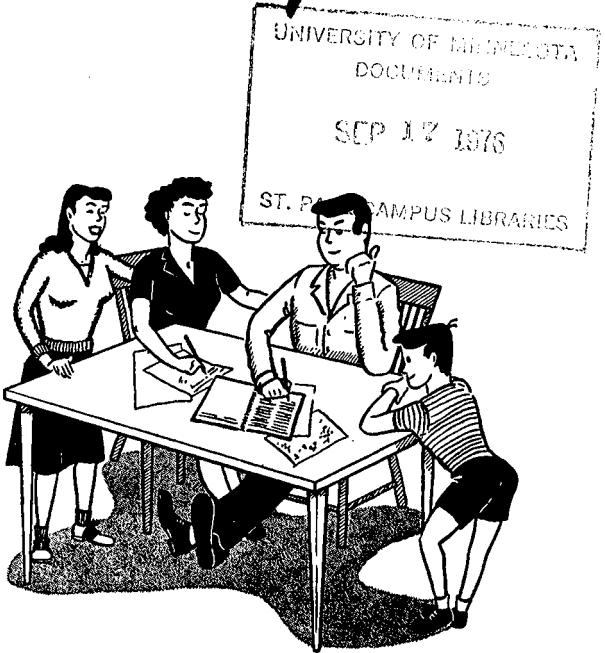


The Family Dollar



... Plan its use for
BETTER FAMILY LIVING

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Has your family planned suitable *controls* for the family's purse strings to help provide for better family living, the "rainy days," and old age security? Financing better family living often creates financial pressures that may develop into money worries for the family. Satisfying the family's needs for food, clothing, housing, health, education, recreation, and household operation requires planned controls for the use of the "Family Living Dollar."

Buying Happiness and Security

The most important thing about living costs—yes, and other costs, too—is the kind of living the family is financing. If the family has happiness, reasonable comforts and conveniences, health, and security, the family's financial system is probably a good one. If not, the family may decide that it is time to work out a plan for improved living.



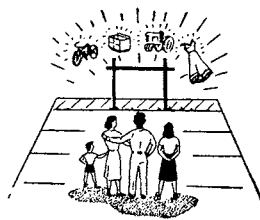
Plan for security

Goals for Better Family Living

The family may wish to set up living goals concerning the following:

- * Health measures
- * Safety practices
- * Improved housing and equipment
- * Satisfactory clothing
- * Reserves for emergencies, travel, retirement
- * Insurance against losses
- * Educational advantages
- * Sharing with others
- * Maintaining good credit rating

A Tailor-Made Plan



Having set up goals, the family is ready to make a plan for reaching the goals. It takes time and cooperation to set up a satisfactory plan for better use of the "Family Dollar." The plan is a family affair and should be made to fit your family and not made according to the standards of the Joneses next door. Choose a time when the family

THE "MANAGEMENT PROCESS"

A Mental Activity

- | | |
|--------------------------|--|
| 1. Observe situation | —Understand problems in the situation |
| 2. Analyze resources | —Know what you have to work with |
| 3. Set goals | —Select important things to achieve |
| 4. Consider alternatives | —Examine possible plans for reaching goals |
| 5. Make decision | —Select plan you think will work best |
| 6. Carry out plan | —Go to work on your plan of action |
| 7. Assume responsibility | —Live with your decision |
| 8. Evaluate results | —Decide on improvement or a new plan |

can gather around the dining table. Lay out expense records (if available), receipts, and cancelled checks for guidance when making the plan. If past spending and saving patterns of the family have not been satisfactory, expense records of other families may be a useful guide. Perhaps your family's spending and saving habits need only a few adjustments. If so, it may not be necessary to make a detailed plan. For your convenience, a sample planning sheet has been included on the last page of this pamphlet. So—why not get the family together and start?

Planned Spending

Planned spending helps to stretch family dollars to cover more of the needs and desires of family members. Impulsive spending may cause financial tangles and unfair use of the family's money. Planned spending may enable the family to build up a reserve for seasonal expenses such as fuel, taxes, insurance, and other "timed" obligations. Emergencies can be met more readily if the family has a spending and saving plan. Purchases made on the "impulse of the moment" do not usually meet needs. Such buying may make it necessary to postpone urgent purchases and may prevent quality and quantity buying.

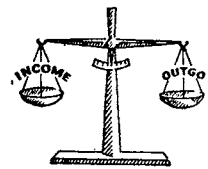
Making the Plan

Make a list of the essentials or "must haves" items (commodities and servies) and a list of the desired or "would like to have items" keeping in mind the goals of all family members. Classify or

group items in line with family and expenditure living pattern (see table on last page). Estimate the probable cost of each item and total each list. Next, estimate the probable income by listing all sources and the amount from each source. It is well to underestimate rather than overestimate income. Deduct the estimated farm expense from the total income. What is left over is available for family living, payment on debts and investments, or savings.

Making Adjustments

Compare total estimated expenses with the estimated total family living dollars for next year. This is to "balance the budget." It may be necessary to restudy farm income and expense items if there is not enough money to meet living needs. You may need to find ways to increase income or to decrease farm expenses. You may find it necessary to re-check estimates for food, clothing, and other needs and desires on your work sheets to bring planned expenses more in line with total available family living dollars. Also, re-check obligations. Be sure to allow a safety margin for emergencies. Some items may have to be omitted or delayed or substitutes may be necessary.



How About Debts?

A family may be so afraid of debts that it may pull purse strings too tight. Being out of debt does not always mean that a family has gleaned the best

type of living from the time, labor, and money spent. A financial plan should enable the family to make intelligent decisions regarding their spending, saving, and control of debts.

Other Ways to Increase Income

To increase the number of Family Living Dollars or to increase the satisfactions to be obtained from the available dollars it will be necessary to plan for the wise use of time, energy, and materials available as well as the interests, abilities, knowledge, and skills of the family members. Community facilities can often be used to improve family living. Producing and canning or freezing more food at home, making some of the family clothing, repairing furniture or remodeling clothing or household items, and learning to make more satisfactory purchases all contribute to helping get the best possible living from your funds.

Putting the Plan to Work

Having made the plan—put it to work. A good plan is reasonable flexible—one that can be adjusted to emergencies and changes in conditions. Your family plan—tailor-made to fit—will help the family to obtain more satisfying family life and more security for the future. No plan will be 100 percent successful. Nevertheless, look for ways to continue to adjust and work the plan. Don't give in to excuses that seem to justify dropping it. Constantly evaluate the success of the plan and make needed changes or adjustments or make a new plan.

Keeping Records of Expenditures

By keeping expenditure records during the coming year, the family can check the outgo with the plan. The family will find it desirable to select one member to keep expense records. Others in the family should feel obligated to see that slips for purchases are filed in one place for the convenience

Money can be used only once.
Decide where it should go—
before it is spent.

of the "bookkeeper." You will find it helpful to have a year's record of expenses on which to base a spending plan a year from now.

For Money Control—



- Use shopping lists to curb impulsive buying.
- Reduce waste in the kitchen.
- Plan allowances for "spending as you please."
- Make timely repairs for longer service.
- Check inventories before restocking supplies.

Stop spending leaks!

- Manage fuel, utilities, supplies economically.
- Learn all you can to help you make "good buys."
- Produce and preserve more food at home.
- Make substitutions.
- Make fewer unnecessary trips with the family car.
- Make a plan for control of family spending.
- Check the plan BEFORE you shop.
- Keep expense records. Check with the plan.

Work the Plan—

Don't Let the Plan Work You

Planning Sheet Summary

Plan the details of your main expenditure groups on a work sheet. Total each group and insert the totals below. If you wish to use other groupings, set up your own summary sheet.

These expenditure groupings are taken from the Minnesota Farm Account Book. You may purchase one at your county Extension office.

PLANNING SHEET

Expenses for living	Average for families like ours	Your family's expenses	
		Spent this year	Est. for next year
Food and meals bought	_____	\$.....	\$.....
Operating and supplies	_____
Furnishings and equipment.....	_____
Clothing and clothing materials	_____
Personal care and spending.....	_____
Education and recreation	_____
Gifts and special events	_____
Medical expense, hospital insurance	_____
Contributions to church, etc.	_____
Taxes, other deductions	_____
(1) Total cash for living	_____	\$.....	\$.....
(2) Savings	_____
(3) Income taxes	_____
Farm-furnished living:			
Food	_____	\$.....	\$.....
Rental value of house	_____
Fuel from farm	_____
(4) Total value	_____



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